



## Nursing Facility Provider Fee Advisory Board

### February 21, 2014

### Meeting Minutes

PRESENT	ABSENT	GUESTS
Dan Stenerson	Paul Landry	Matt Haynes - HCPF
Greg Traxler	Lori Nelson	Preston Brown - HCPF
Lonnie Hilzer	Chris Stenger	Wes Lander - HCPF
Janet Snipes		Blake Heller - HCPF
Josh Fant (for Arlene Miles)		Randie Wilson - HCPF
John Brammeier – Phone		Garrett Abrahamson (PCG) - Phone
Cindy Bunting – Phone		Mekayla Cortez (PCG) – Phone
		Scott Krise
		Laura Landwirth
		Ashleigh Perez – Meyers & Stauffer
		Connie Reinhart – Meyers & Stauffer

Approximate Time	Topic	Lead
10:00 – 10:05	<input type="checkbox"/> Welcome, Introductions, and Approval of Minutes	<i>Matt Haynes, HCPF</i>
10:05 – 10:35	<input type="checkbox"/> NVC Appraisals, A/P Unpaid Liability	<i>Randie Wilson, HCPF</i>
10:35 – 11:05	<input type="checkbox"/> Appeals, Settlements, and IRs <ul style="list-style-type: none"> <li>○ Discussion of the Operating Procedure</li> </ul>	<i>Matt Haynes, HCPF</i> <i>PFAB Members</i>
11:05 – 11:45	<input type="checkbox"/> Cost Analysis Revisited	<i>Matt Haynes &amp; Blake Heller, HCPF</i>
11:45 – 11:55	<input type="checkbox"/> Open Discussion/Public Comment	
12:00	<input type="checkbox"/> Adjournment	

The next meeting will be held:

March 21, 2014

10:00 a.m. – 12:00 p.m.

225 E 16<sup>th</sup> Ave, Room 6 A/B

Denver, CO 80203

**Meeting was called to order at 10:00 a.m.**

**Approval of Minutes:**

The minutes from the January 17, 2014 meeting were approved as written.

**NVC Appraisals**

**Randie Wilson**

- In response to improving the appraisal process, Randie presented two documents:
  - o Summary of the Issues
  - o Process Plan
- These documents were also presented to the Nursing Facility Advisory Board, with the goals of improving collaboration:
  - o Advance scheduling of the appraisal
  - o Ensuring the proper person receives the appraisal
  - o Including a comment period
  - o Adding an informal dispute resolution, which will likely solve the majority of issues, although the formal IR process will remain in place
- NVC will be presenting in May:
  - o Effective Age Matrix
  - o How methodologies work (e.g. why land values may differ from another facility down the street)
  - o Guidebook
- Feedback is requested by March 10<sup>th</sup>
- Questions:
  - o There used to be a calculation that went to 0.5, but is now rounded up or down
    - Need to follow-up with Kevin Peters
  - o How does the FRV appraisal value fit into the rate structure? While we have taken care of the appeals issue, the appraisals will not be completed in time for the rate true-up
    - This should not be an issue since the 7/1/14 rates are based on the FRV from the previous year

**A/P Unpaid Liability**

- Regarding unpaid liabilities, which only affects one or two facilities each year
  - o These costs are excluded from the rate calculation
  - o Need to follow GAAP principles in which these become long term liabilities
- Questions:
  - o How will this affect facilities with cash flow issues that need to push out payments to vendors?
    - We need to address why there are cash flow issues in the first place

## **Appeal, Settlements, and IRs:**

**Matt Haynes**

- Discussion of Operating Procedure
  - Reviewed Department's Operating Procedure, presented as handout
  - This is effective for periods prior to those captured in the current model (prior year audited rates)
  - Even if there is an interim model, the appealed amount will be front-loaded into the first month of the new effective model
  - The payments will not be impacted for facilities without appeals
  - The fees for all facilities will be slightly higher in the first month to fund the front-loaded appeal amount

## **Cost Analysis Revisited:**

**Matt Haynes & Blake Heller**

- The initial analysis conducted several months ago looked at where costs were increasing the most:
  - Management Fees
  - Therapies
  - Nursing
- Some initial theories on the increasing cost included:
  - Obtaining a 5-Star Rating
  - Reaching benchmarks in pay-for-performance (P4P)
  - Increased acuity
- Discussion from the board centered on possible drivers of these costs:
  - Management Fees
    - Increases in revenue could increase management fees, if the agreement is tied to revenue
    - Some of this cost will be allocated back to the facility in the home office cost report
    - What is the cause and effect of P4P – is the increased revenue resulting in a higher management fee, or is a higher management fee (and subsequent support) resulting in higher P4P scores?
    - Of the three main cost areas, this is the smallest
  - Therapy
    - The Part A cap impacts how much of the therapy cost is reflected
    - Overall health care costs/inflation
    - CMI
    - Are more therapy costs being delivered? Is the cost per unit the same?
    - What is the occupancy by payer type?
    - Medicaid Acuity Rates

- Restorative programs
- Type of therapies being provided
- Nursing
  - 5-Star Rating – can we pull out quality measures?
  - Licensure mix (RN, LPN, CNA)
  - Hours per patient per day by nursing type
  - Employee turnover
  - Labor markets (urban vs. rural)
  - Contracted vs. salaried (data on cost report)
- Plan is to give an update next month, but have a more in depth conversation in two months

**Public Comment**

- None

**Other Items**

- None

**The meeting was adjourned at 11:45 am.**

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